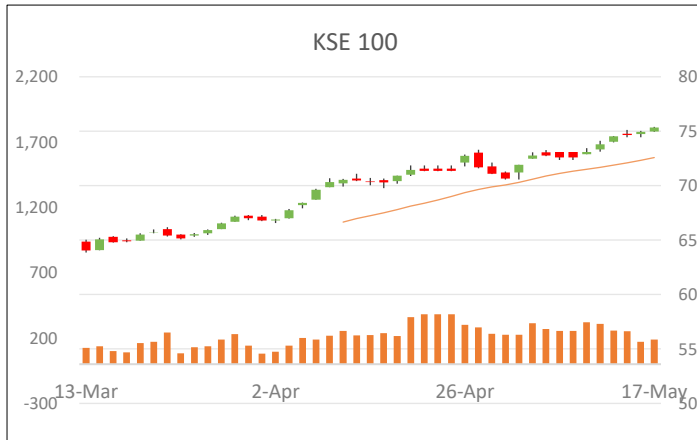


# MORNING GLANCE



75,342	▲ 411	▲ 0.55%
189 mn	YTD 16.52%	1 Year 81.8%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	22,502.00	35.90	0.16% ▲
DSE 30	2,015.24	10.98	0.54% ▼
SHANGHAI	3,160.95	6.93	0.22% ▲
Hang Seng	19,607.00	53.39	0.27% ▲
Nikkei 225	39,255.50	489.00	1.26% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	8,420.26	18.39	0.22% ▼
DAX 30	18,707.28	31.53	0.17% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	40,003.59	134.21	0.34% ▲
S&P 500	5,303.27	6.17	0.12% ▲
NASDAQ	18,546.23	11.73	0.06% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,438.50	21.10	0.87% ▲
Oil-WTI (bbl)	79.56	0.02	0.03% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	278.30	0.25	0.09% ▼
EURO/PKR	300.24	0.01	0.00% ▲
GBP/PKR	348.49	0.01	0.00% ▲
AED/PKR	76.26	0.01	0.01% ▲

Source: dps.psx.com.pk, investing.com, forex.com

## Market Outlook

The stock market on Friday remained bullish throughout the day and concluded the session in the green zone amid interest expressed by Chinese firm to invest in Pakistan's mineral sector. The Benchmark KSE-100 index made an intra-day high and low at 75,401.11 (470.42 points) and 74,947.71 (17.02) respectively while closed at 75,342.34 by gaining 411.65 points. Trading volume increased to 189mn shares as compared to 170mn shares on the previous trading day. Going forward, we expect the market to remain positive as index reaches all time high on account of optimistic development in the economic front. The resistance for the index resides at 75,500. Breaking this level would further push the index towards 76,000. Contrarily, the support for the index resides at 75,000.

## Key News

### International

#### Asian Stocks Rise After US Gains, China Support

Asian stocks rose after China took steps to shore up its property market and US equities climbed to a fresh record on Friday thanks to resilient corporate earnings. The MSCI AC Asia Pacific Index advanced for a seventh session, with gauges in China, Hong Kong, Australia, Japan all marching higher. Chinese banks [see more...](#)

#### Oil Steadies After Weekly Advance as Geopolitical Risks Flare

Oil steadied after a weekly gain as geopolitical risks in Russia and the Middle East came back into focus following attacks over the weekend. Brent futures traded near \$84 a barrel after posting the first weekly advance this month, while West Texas Intermediate was below \$80. [see more...](#)

### Politics

#### Pakistan aiming to secure UNSC seat for eighth time

Pakistan's Permanent Representative to the United Nations, Ambassador Munir Akram has said that the country will be contesting in the upcoming elections for the UN Security Council (UNSC) to secure a seat for the eighth time. In a virtual interaction with the US-based Pakistan Students Association Coalition (PSA), Ambassador Akram expressed hope that Islamabad will be elected [see more...](#)

### Economy

#### Talks with IMF on next phase of engagement this week - Neutral

The International Monetary Fund (IMF) Mission is meeting with the Pakistani authorities this week to discuss the next phase of their engagement with Pakistan. This was stated by Julie Kozack, Communications Director at the IMF while addressing a press briefing. On April 29th of this year, our Executive Board completed the second review of the Stand-by [see more...](#)

## MORNING GLANCE

### IMF 'unsatisfied' with Pakistan's steps of bringing real estate into tax net - Neutral

Pakistan has reportedly failed to convince the International Monetary Fund (IMF) on the steps to bring real estate sector into the tax net, sources said on Friday. The fifth round of talks is underway between Pakistan and IMF as the [see more...](#)

### UN projects Pak economy to grow by 2pc in 2024 - Neutral

Pakistan, which faces significant economic challenges, is expected to have "modest economic growth", with its Gross Domestic Product (GDP) projected to expand by 2 per cent in 2024, according to a major United Nations report. Noting that Pakistan had entered into a Stand-by Arrangement with the International Monetary Fund (IMF) worth \$3 billion, the [see more...](#)

### Govt eyeing new steps to achieve Rs1trn plus taxation – Neutral

The new taxation measures of Rs 1.2 trillion to Rs 1.3 trillion in coming budget (2024-25) would include enhanced rates of withholding taxes on transactions of non-filers and increased tax rates on buying/ selling of immovable properties, registration of vehicles and revision in income tax slabs for salaried class. Sources told Business Recorder that the government [see more...](#)

### Apr FDI inflow up 172pc to \$358.84m YoY – Positive

The inflow of Foreign Direct Investment (FDI) in Pakistan has increased by 172 percent on year-on-year basis to \$358.84 million in April 2024 as compared to \$131.9 million in the same period in FY23. On month-on-month basis, the inflow of FDI in the country increased by 39 percent as compared to an inflow of \$258.04 in March 2024. [see more...](#)

### Pakistan's current account records surplus of \$491mn in April – Positive

Current account balance shows a deficit of \$202 million in 10MFY24, significantly lower than the \$3.92 billion deficit in last year Pakistan's current account recorded a surplus of \$491 million in April 2024, up from a revised surplus of \$434 million in March 2024, according to data released by the State Bank of Pakistan (SBP). [see more...](#)

### SBP targets to raise Rs4.4tr: Auction Calendar May-July - Neutral

The government is targeting to raise Rs4.37 trillion during the next three months (May-July) of 2024, through the auction of Market Treasury Bills (MTBs), Pakistan Investment Bonds (PIBs) Fixed Rate, and PIBs Floating Rate. [see more...](#)

### PKR's REER index increases to 104.51 in April - Neutral

Pak Rupee's Real Effective Exchange Rate Index (REER) increased by 0.4% MoM in April 2024 to a provisional value of 104.51 from the revised value of 104.09 in March 2024. According to data published by the State Bank of Pakistan (SBP), the REER index has increased by 22.14% YoY compared to April 2023. [see more...](#)

### Weekly SPI inflation down 1.06pc – Positive

The Sensitive Price Index-based inflation for the week ended May 16, 2024, decreased by 1.06 per cent due to a decline in the prices of tomatoes (31.18 per cent), onions (21.84 per cent), garlic (7.76 per cent), petrol (5.32 per cent), wheat flour and LPG (3.66 per cent) each, diesel (2.79 per cent), and bananas (0.87 per cent), [see more...](#)

### Q3: Nepra gives its nod to Rs52bn QTA for Discos, KE - Neutral

National Electric Power Regulatory Authority (Nepra) on Friday gave its consent to approve Quarterly Tariff Adjustment (QTA) of Rs 52 billion (about Rs 1.45 per unit) for Discos and K-Electric (KE) for third quarter (Jan-March) of current [see more...](#)

### Govt seeks extension on \$15.4m energy debt - Neutral

In a strategic move ahead of Prime Minister Shehbaz Sharif's visit to Beijing, Pakistan has drafted a new proposal aimed at restructuring \$15.4 billion in energy-related debt with China. This initiative is designed to extend the debt repayment period and reduce the financial burden on end consumers by lowering energy prices. Under the proposal, Pakistan seeks to spread [see more...](#)

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## DEFINITION OF TERMS

<b>TP</b>	Target Price	<b>DDM</b>	Dividend Discount Model	<b>FCF</b>	Free Cash Flows
<b>FCFE</b>	Free Cash Flows to Equity	<b>FCFF</b>	Free Cash Flows to Firm	<b>DCF</b>	Discounted Cash Flows
<b>PE</b>	Price to Earnings Ratio	<b>PB</b>	Price to Book Ratio	<b>BVPS</b>	Book Value Per Share
<b>EPS</b>	Earnings Per Share	<b>DPS</b>	Dividend Per Share	<b>ROE</b>	Return of Equity
<b>ROA</b>	Return on Assets	<b>SOTP</b>	Sum of the Parts	<b>JPB</b>	Justified Price to Book

## VALUATION METHODOLOGY

To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

- I. Discounted Cash Flow Model
- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

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Stock Rating	Expected Total Return	Sector Rating	Sector Outlook
BUY	Greater than 15%	Overweight	Positive
HOLD	Between -5% to 15%	Market Weight	Neutral
SELL	Less than and equal to -5%	Underweight	Negative

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

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### PREPARED BY

Haroon Abdul Razzaq

Phone: (+92) 42 38302028

Ext: 116

Email: haroon@abbasiandcompany.com

### RESEARCH DEPARTMENT

6 - Shadman, Lahore

Phone: (+92) 42 38302028; Ext: 116, 117

Email: research@abbasiandcompany.com

web: www.abbasiandcompany.com

### HEAD OFFICE

6 - Shadman, Lahore

Phone: (+92) 42 38302028

Email: info@abbasiandcompany.com

web: www.abbasiandcompany.com